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PP RUEHWEB

DE RUEHBO #5712 1771329
ZNR UUUUU ZZH
P 261329Z JUN 06
FM AMEMBASSY BOGOTA
TO RUEHC/SECSTATE WASHDC PRIORITY 6365
INFO RUEHCV/AMEMBASSY CARACAS 7876
RUEHLP/AMEMBASSY LA PAZ JUN LIMA 3948
RUEHQT/AMEMBASSY QUITO 4596
RUEHGL/AMCONSUL GUAYAQUIL 3596

UNCLAS BOGOTA 005712

SIPDIS

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E.O. 12958: N/A
TAGS: [ELAB](#) [EMIN](#) [EINV](#) [ENRG](#) [CO](#)
SUBJECT: DRUMMOND STRIKE ENDS

REF: A. BOGOTA 5524

- [1](#)B. BOGOTA 5486
- [1](#)C. BOGOTA 5395
- [1](#)D. BOGOTA 5384

[1](#)1. On June 22, the Drummond company and the union representing its workers, SINTRAMINENERGETICA, signed a new labor contract, ending a 32 day strike. Both Mike Tracy, Drummond Director for Mining Operations, and union representative Francisco Ramirez, separately told Emboffs they were "very happy" with the agreement. The settlement includes an 8 percent salary increase with a 1.5 percent increase over inflation the following year, an indemnity payment increase of 31 percent, new disciplinary procedures, and industrial safety guarantees. The contract is valid for two years, beginning June 1, 2006, and its salary terms will also be applied retroactively from April 1, 2006. Workers will return to work at noon on June 23.

[1](#)2. Both parties are satisfied with the issue of labor stability, which had been a primary point of contention during negotiations. Union representative Ramirez told Laboff the union had won more job security through the new disciplinary procedures, increased severance pay, and a commitment by the company not to fire workers for strike or other union related activities. Drummond Director Tracy explained to Econoff the company had conceded ground on indemnity payments and other financial points, but was relieved that the company had avoided committing to a "just cause clause" for worker dismissals.

[1](#)3. The strike has caused estimated lost revenue of 130 million USD to the company.
WOOD